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C O N F I D E N T I A L SECTION 01 OF 03 MANAGUA 000350

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TAGS: PGOV PHUM ECON KDEM NU

SUBJECT: CITIZEN POWER COUNCILS - THE TIP OF THE SPEAR

REF: MANAGUA 130 AND PREVIOUS

Classified By: Ambassador Paul A. Trivelli for reasons 1.4(b,d)

¶1. (C) SUMMARY: President Ortega's Citizen Power Councils are the "tip of the spear," helping Ortega and First Lady Rosario Murillo to further centralize and consolidate their personal power. CPCs have been most "successful" in municipalities with town halls controlled by the Sandinista National Liberation Front (FSLN), where they act as an extension of the local and central governments, but have made headway in Liberal cities as well. Taking the institutionalization of the CPCs at the municipal level one step further, at Murillo's insistence, all FSLN candidates for the November municipal elections were required to sign an agreement to subordinate their authority to the CPCs. In Managua, the CPCs have been placed in charge of a USD 2.2 million road improvement program, bypassing municipal authorities. There is growing evidence that CPCs are acting as "gatekeepers," controlling access to public services and possibly public employment. Further reaching into the private lives of Nicaraguan citizens, the CPCs have reportedly organized neighborhood watches and even interfered with an IRI polling effort in the city of Leon. Sources insist that CPCs are also behind the growing number of land invasions. Without a strong sustained public campaign denouncing the government's abuses through the CPCs, opposition political leaders, hopeful of winning a large number of municipalities in November, may find their potential supporters cowering behind locked doors, fearful of CPC reprisal. END SUMMARY.

Further Centralization of Control

¶2. (C) Elias Chevez, the general coordinator of the CPCs and the Embassy's primary formal CPC contact, is apparently no longer authorized to speak with us. Chevez canceled three previously confirmed meetings with Embassy staff and commented after the final cancellation that we must address any questions or requests regarding the CPCs directly to First Lady Rosario Murillo. While it was always difficult to contact Chevez, in previous meetings he acknowledged the importance of maintaining contact with the Embassy and had repeatedly offered to provide CPC contacts for our reporting trips outside of Managua. (COMMENT: This abrupt change in

course likely indicates that the Sandinista government -- as the CPCs have become more and more entrenched -- no longer sees any value in pretending to accommodate the U.S. Embassy on this issue. END COMMENT)

CPC Power Linked to Municipal Control

13. (C) Despite their steady expansion, the CPCs appear to thrive mostly in "friendly" environments and shy away from direct confrontation with non-Sandinista authorities at the municipal level. Based on meetings with numerous mayors from various political parties over the past couple of months, it is clear that CPCs have taken hold and exercise power most visibly in municipalities with FSLN mayors. One FSLN mayor referred to the CPCs as his "right arm." This CPC ascendency also appears to be the case in municipalities with weak Liberal mayors, those unwilling to push back. In contrast, the CPCs are kept in check and enjoy little public presence in cities with strong Liberal mayors. This low profile, however, does not imply that CPCs are not active in those towns; they remain engaged with local branches of central government institution, especially with the Ministries of Education, Health, and Family.

"Gatekeeper" Role Increases

14. (C) There is a growing body of evidence to indicate that CPCs are increasingly functioning as "gatekeepers," controlling access to public services and possibly public sector employment. There are widespread complaints that CPCs are charging parents for public school registration forms. Contacts in Chinandega reported that public school teachers now require a CPC "aval" (guarantee) to keep their jobs; there have been sporadic reports of similar demands from teachers and other public servants over the past few months in other parts of the country. Also in Chinandega, a student was reportedly denied a university scholarship because he did not have a CPC aval. According to the out-going director of the National Grain Board (ENABAS), Roger Ali Romero, the CPCs maintain sole responsibility for selecting neighborhood vendors for the government's grain distribution program (reftel). According to Romero, the CPC's "gatekeeper" role is about to increase as ENABAS moves forward with a pilot project in which the CPCs would also control local grain warehouses.

Eyes and Ears

15. (C) When the CPCs were first announced in early 2007, they were immediately compared with the dreaded Sandinista Defense Committees (CDS) of the first Ortega Administration. As the eyes and ears of the Sandinistas, they kept tabs on all neighborhood activities. The second Ortega Administration has invented the mantra that the CPCs represent "Direct Democracy" and are only here to ensure the government -- at all levels -- is doing its job. However, old habits die hard. Country Director for the International Republican Institute (IRI), Sergio Garcia, recently reported that the CPCs interfered in an IRI polling exercise in the town of Leon. As IRI pollsters were traveling house to house, CPC representatives were several homes ahead of the polling team, telling residents not to participate. Contacts in Esteli and Matagalpa have reported that the CPCs "are watching people," but did not provide further detail.

CPCs Leading Land Invasions

16. (C) There is evidence that the CPCs are becoming more active in the confiscation of private property. In mid-February, a U.S. citizen reported that local CPC leaders were organizing squatters to invade her land and take over the property. According to Nicaraguan lawyers who work closely with the Embassy's property office, CPCs are mounting a concerted effort to seize land on the Pacific coastline in

the department of Rivas where Ortega's agrarian reform efforts of the 1980s (expropriating beach front property to give to agrarian cooperatives) created a number of land ownership disputes. These lawyers report that the CPCs are taking advantage of unclear land titles, launching a "well-orchestrated strategy to take control of the most valuable ocean front property." The CPCs are organizing groups of landless peasants, identifying land with high investment potential and no clear title, and sending in the people, often, they insisted, using women and children as shields against police called in by the owners to stop the invaders. Afterward, the CPCs push for land titles and then pressure the new "landowners" to sell to Sandinista-linked individuals or companies.

CPCs Used to Mount Proxy War on Managua Mayor

¶17. (C) In early March, "residents" of Managua's largest garbage dump, who make a living extracting recyclable materials from Managua's garbage, went on "strike," preventing garbage trucks from entering the site. These residents claimed that city garbage collectors were extracting the valuable materials before entering the dump, impacting their livelihood. Mayor Dionisio "Nicho" Marenco told us that he believed local CPC members instigated the strike. Despite the city's having reached an agreement with garbage collectors to limit such activity, the strike continues. Garbage dump residents have complained that they are no longer involved in the tiff and that they are being used as a political tool. They insist that people are being bused in to continue the struggle.

Institutionalizing CPC Power

¶18. (C) Coinciding with candidate inscription for November's municipal elections, the central government launched a new program called "Calles para el Pueblo" (Streets for the People), a national street paving campaign supposedly financed through the "Bolivarian Alliance for Latin America" (ALBA) using Venezuelan oil revenues. Set to begin in Managua, the 44 million cordoba (USD 2.2 million) first phase investment will reportedly be managed by the CPCs in coordination with the Emergency Social Investment Fund (FISE) without the involvement of the mayor or the municipal government. CPC-instigated protests were also instrumental in blocking a municipal plan to build an overpass to relieve traffic congestion. (COMMENT: The CPCs are now running television spots praising their direct involvement in the street paving campaign. END COMMENT)

¶19. (C) At the FSLN's party conference in early March, national CPC head Rosario Murillo delivered what amounted to a policy speech regarding the CPCs. She announced that after November's elections, all mayors and city councils would be subordinated to the CPCs. The first phase of her new policy was carried out last week during the inscription process for November's municipal election candidates, when all FSLN candidates were required to sign an agreement to work with the CPCs. We understand the agreement requires the FSLN candidates, if elected, to be "subordinate" to the will of the CPCs and that the CPCs have the right to remove uncooperative mayors. (COMMENT: It is doubtful that there is any legal basis for this agreement, but if the CPCs continue to gain control over government programs and services, FSLN mayors could be held captive by the CPCs, reducing them to little more than figureheads. END COMMENT)

Comment - "Tip of the Spear"

¶10. (C) Ortega and Murillo continue to spin the CPCs as the voice and will of the people, a mechanism designed to check the performance of the government. In reality, as numerous examples continue to show, the CPCs perform the opposite role. They are the "tip of the spear," an army of Ortega/Murillo loyalists who use intimidation,

government-facilitated control over services, and any other form of leverage they can to help Ortega and Murillo centralize and consolidate power. As we saw late last year when CPC members attacked an office of the Spanish electricity distributor Union Fenosa -- and recently repeated in the case of the garbage dump and the protests over street-paving in Managua -- Ortega is able to effectively use the CPCs to attack enemies in the guise of "citizen power." Such attacks send a clear message that "resistance is futile," sparking greater fear and capitulation towards other CPC demands. This intimidation enables the CPCs to then muscle their way into -- and gain greater control of -- more aspects of people's private lives such as employment and enrolling children in school.

¶11. (C) Faced with this growing menace, political opposition parties and civil society organizations have remained largely silent. Granted, opposition parties have been concentrating on building alliances to defeat the FSLN in as many municipalities as possible in November. However, the CPCs continue to lock down control neighborhood by neighborhood by promising jobs and access to services or through fear and intimidation. Without a strong sustained public campaign denouncing the government's abuses through the CPCs, opposition hopefuls may find their potential supporters cowering behind locked doors come November.

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